

DIVERSITY WORKSHOP

“DIVERSITY MATTERS”

EPCA president Tom Crotty welcomed delegates to this first diversity workshop, reflecting on the fact that two years before the annual meeting had decided to focus on talent and technology in the industry.



DEBORAH GILLIS
President and Chief Executive Officer,
CATALYST



“We rejoice in our talented people. But are we making the most of that talent?” Crotty questioned. “Do we maximize the diversity of talent available?” He suggested the issue was not about quotas, or political correctness, but simply one of good business. A quick survey of EPCA member companies showed that just 3% had a female chief executive officer, with associate members doing better with 35%. Registrations for the annual meeting indicated that 86% of delegates were male. However, Crotty noted that men were in the minority of workshop attendees.

Session moderator Nadine Dereza noted that the industry has struggled to attract

women, but reminded the workshop that diversity was a broader issue than gender. However, she suggested that time would restrict the opportunity to discuss some of the wider issues.

Before introducing the three speakers, Dereza voiced the hope that the workshop would encourage companies to embed diversity into their corporate committees, policies and structures, and that the industry’s 3rd generation leadership would foster diversity as an avenue for innovation and to deliver on sustainability targets. In her experience, companies embracing diversity were not only the best places to work but also the most profitable. She also reminded the workshop that Madeleine Albright, the

first ever female US Secretary of State, once said: “There’s a special place in hell for those women who don’t help other women.” Dereza then recounted how, in a recent project, London’s Heathrow Airport had altered its shift rotations and outreached to successfully recruit more women for security operations.

INNOVATION AND COLLABORATION FOR SUSTAINABILITY THROUGH 3RD GENERATION MANAGEMENT: AN URGENT CALL FOR DIVERSITY.

Opening his presentation, Marc Buelens, Emeritus Professor in Management, People & Organization, Vlerick Business School, reminded the workshop of Amar Bhide’s



PROFESSOR MARC BUELENS

*Emeritus Professor in Management, People & Organization,
VLERICK BUSINESS SCHOOL*

research that shows 82% of innovative business ideas come from sources outside formal R&D. “That tells you a lot about the need for and value of diversity,” he said.

While we all want new ideas, many chemical industry managers are “Triple A” – abstract, analytical and aloof – Buelens commented. But a look at the innovators mentioned earlier in the day by Professor Xavier Sala-i-Martin indicates that they are not “Triple A” people, rather they are hands-on, engaged and creative. He urged companies to seek optimal workforce diversity, suggesting those lacking internal diversity would struggle to cope with external diversity in the world at large and in their customer bases.

Buelens also reminded attendees of the thoughts of Sumatra Ghosal, which suggest 3rd generation strategies cannot be managed by 2nd generation organizations, and 1st generation managers. However, the professor suggested too many companies still employ 1st generation management techniques, which is ‘my way or the highway’, and ‘mushroom management’, which means keeping people in the dark, throwing crap on them, then chopping them off at the neck when they raise their heads. “3rd generation managers strategists – that’s what you should be after,” he said. “They use collaborative networks to generate new ideas and innovations to achieve

sustainability.” Companies need to be open, listening and connected!

Moving to his conclusion, Buelens said inclusive strategies require inclusive leaders, who can inspire questioning – asking “Why?” These leaders also need to be role models who act as mentors and coaches, especially for minorities. Leaders need to

“THERE IS A CLEAR BUSINESS CASE FOR DEVELOPING DIVERSE LEADERSHIP.”

think about and demonstrate the value of collaboration, and work to remove boundaries while promoting cultures of openness in all aspects of business. “Remember: you cannot manage 3rd generation strategies with 2nd generation organizations and 1st generation managers. Misalignment will be costlier than ever!”

**FIX THE WORKPLACE,
NOT THE WOMEN**

“Women are a critical part of global talent, and the chemical industry should

be working harder to advance, recruit and retain women in its workforce,” Deborah Gillis told the workshop. Gillis is President and Chief Executive Officer of Catalyst, the leading research and advisory organization working to change workplaces and improve lives by advancing women into business leadership.

Better gender diversity starts at the top of companies, she said, with senior leadership commitment, and requires good communication, making diversity part of the organizational culture, making a business case for diversity, engaging employees and setting goals and accountabilities.

Why are so few women in STEM industries and why are they likely to leave? Gillis said there are few same-gender role models – female supervisors or female senior executives – and women are often unaware of the attributes needed to get a promotion, all of which impede advancement. “You can’t be what you can’t see!”

Gillis said there is a clear business case for developing diverse leadership. Companies with a commitment to diversity are achieving enhanced financial performance, by leveraging talent to raise performance and innovation. They are also companies that reflect the diversity of

“MAKING CHANGES IN THE CHEMICALS INDUSTRY TO ENCOURAGE DIVERSITY IS A MATTER OF IMPORTANCE AND URGENCY”



ANDREW KRIS
Founding Partner,
 BORDERLESS

their marketplaces, which in turn helps to build and strengthen their corporate reputations.

One key route to greater gender diversity is through sponsorship, which the Catalyst President described as “A winning Trifecta.” Sponsorship is important for women’s advancement, and benefits both those individuals who develop talent and organizations, which will have more committed, satisfied leaders. Whereas a mentor will listen and speak to you, a sponsor will speak about you, for you and on your behalf, Gillis said.

By way of best practices, Gillis suggested companies wanting to promote gender diversity could look at initiatives developed by other businesses. She highlighted Kimberly Clark’s Unleash Your Power: Strengthening the Business With Women Leaders, Coca-Cola’s Global Women’s Initiative: Women as the Real Drivers of the 21st Century, Enbridge’s FEMINEM Employee Resource Group, and IBM’s Women’s Diversity Network Group. Concluding, the Catalyst CEO said gender diversity has to be intentional, and requires empowerment, encouragement,

achievement, and opportunity. “Focus on getting a strategy in place and remember that there is competitive advantage in recruiting the very best talent.”

DIVERSITY MATTERS! IT’S IMPORTANT AND URGENT!

Making changes in the chemicals industry to encourage diversity is a matter of importance and urgency, Andrew Kris told the workshop. A founding partner of Borderless, an HR specialist for the chemicals and life science sectors, Kris said today 50% of the workforce should be women, but they only represented 30% of staff.

Kris, who had a long previous career with Dow Chemical, said that developing demographics highlighted the need for greater gender diversity, because there aren’t enough men with the knowledge and experience to fill the industry’s future skills and talent gap.

Senior managers in companies needed to stop trying to recruit PLUs – People Like Us – Kris insisted. The tendency is for top managers to look for people from

the same sector, who know the business, who speak the same language, and who share a similar educational background or culture: “People who look like me, sound like me, and dress like me, etc.”

Companies need to forget comfort and embrace discomfort if they want to recruit the talent to make them innovative and sustainable, Kris continued. This means bringing in people who are different, who come from other industries, with different cultures, backgrounds, religions, ethnicity. It also means looking to different generations, and finding people with different and wide-ranging experiences.

The ‘PLU syndrome’ is a big problem, and the industry has to change, the Borderless partner said. It is ironic, he noted, that a sector willing to take massive and long-term financial risks when investing in assets seems very risk-averse when it comes to diversity. “Be bold. Take risks!” he urged. Take note of ‘good counsel’, which says diversity is an investment strategy, make sure it’s built into recruitment, invest the time of senior people, and look for and develop role models.



QUESTIONS & ANSWERS SESSION

“OUR FIRST
DIVERSITY
WORKSHOP”



Opening the session, Nadine Dereza asked EPCA president, Tom Crotty, what he thought were the biggest take-aways from the presentations.

TOM CROTTY: “If we’re really serious about diversity, then it has to be an active process. We can’t come back here in 10 years time and be asking: “Why has nothing changed?” We have to do something positive. We have to have workplaces that are designed to ensure diversity occurs.”

NADINE DEREZA: “Given the moral case and the business case – the bottom line – and the statistics that support the argument for diversity, does this mean that EPCA should perhaps put in place a Diversity Council to lead change?”

TOM CROTTY: “Yes. I’d like this – our first Diversity Workshop – to be the beginning of a process to see how EPCA can bring people together and start an active process.”

NADINE DEREZA: “Deborah, what do formalized diversity processes and committees allow people to do in your experience?”

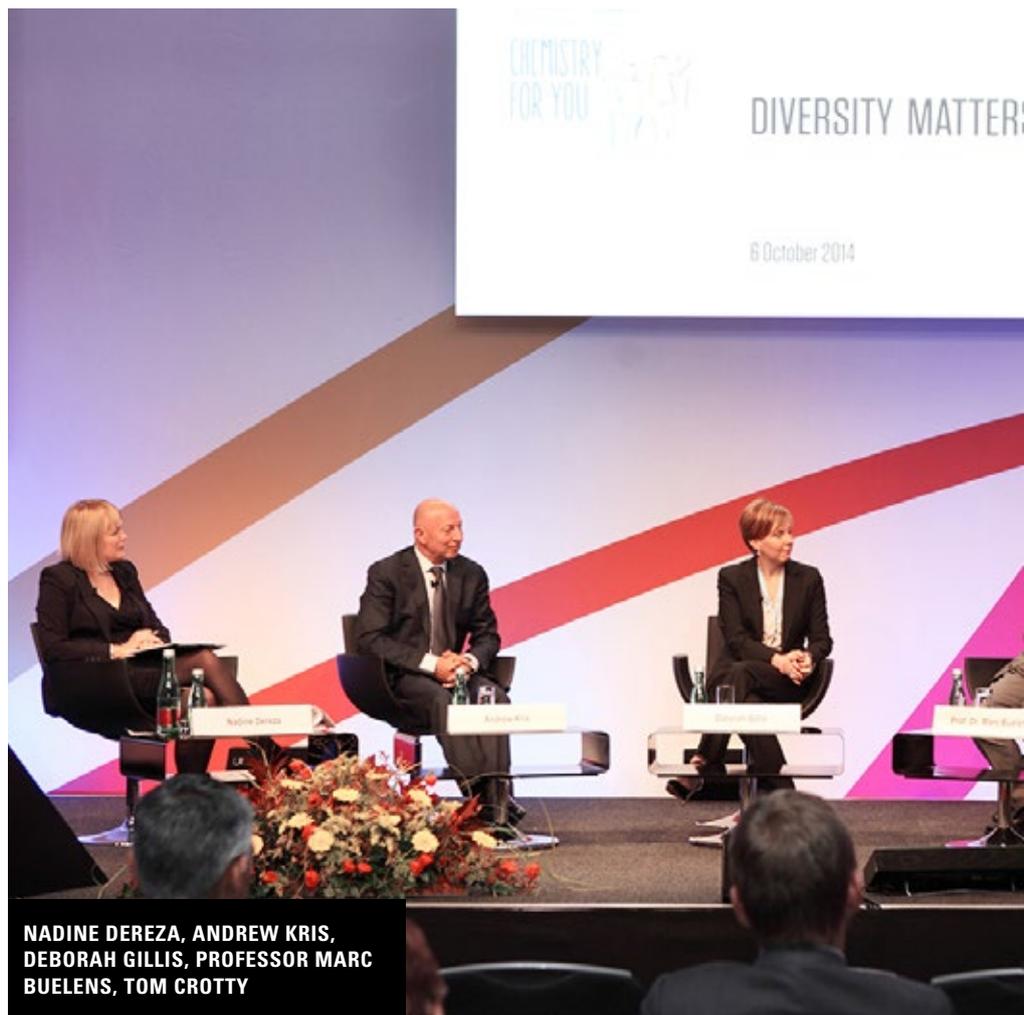
DEBORAH GILLIS: “It’s like anything else. What gets measured gets done. Councils and processes need CEO engagement to gain attention and for visibility. Diversity is a business strategy. We put structures, goals, measures around every other business strategy, so we should do it with diversity.”

NADINE DEREZA: “Now Andrew, you’ve said that businesses need to reflect the diversity of the people they sell to. But how hard is it for you to sell diversity of recruitment to your clients in the chemical industry, particularly when it comes to senior grades?”

ANDREW KRIS: “I must say in recent years there has been improvement. Recently, I did some work with a petrochemical company whose executive committee was composed largely of white British men. The plea was: Can we have some non-Brits here, please?”

NADINE DEREZA: “You mean less male, pale and stale?”

“I REALLY BELIEVE COMPANIES CAN INFLUENCE SOCIETAL VALUES. IT’S ABOUT HOW YOU LOOK AND HOW YOU ACT AND WHAT YOU DO INSIDE YOUR COMPANIES.”



NADINE DEREZA, ANDREW KRIS, DEBORAH GILLIS, PROFESSOR MARC BUELENS, TOM CROTTY

QUESTIONS & ANSWERS SESSION

ANDREW KRIS: “Yes, but I – being somewhat more diplomatic – wouldn’t exactly say that. But the reality is that they wanted some diversity, some more continental and international men! However, some of our clients demand that we present them with a diverse slate of candidates, and will not accept our work is done until we do. Diversity has to be a deliberate strategy.”

NADINE DEREZA: “Marc, from your point of view, is this impacting students? Are they now thinking that regardless of where I fit in terms of diversity, there’s a job out there for me? Or do women still think they’ve already lost the battle before venturing into the job market?”

MARC BUELENS: “Unfortunately, change is very slow. If there are no clear policies to make diversity a reality, the situation is just stagnating. Discrimination in the workplace is much more entrenched than I thought and it will not be resolved without action and clear strategies, enlightened leaders, role models, structural changes.”

NADINE DEREZA: “Tom Crotty, I know the industry talks a lot about best practices across it operations, but where’s the best practice in diversity? Which companies are making the greatest strides?”

TOM CROTTY: “Well, I think it’s fair to point the finger at the chemical industry generally. Certainly from a gender point of view, we can’t claim to have made great progress. I can think of one example where there is a female CEO, and that’s DuPont, and Deborah has already talked about how important sponsorship was in making that happen. We’re doing better in diversity of people’s backgrounds, but we haven’t cracked the gender challenge.”

NADINE DEREZA: “Andrew, can you name some companies who are leading the way?”

ANDREW KRIS: “For confidentiality reasons, I can’t and won’t. But I can tell you there are some companies in the industry who are doing really well and promoting diversity panels and where leaders are engaged and making diversity a visible goal.”

NADINE DEREZA: “Deborah, while there are some companies in some countries making progress on diversity, there are some countries, such as Saudi Arabia where there are more women than men in higher education, but where their prospects look limited. What’s the wider picture? Can companies influence societal values?”

DEBORAH GILLIS: “Yes, I really believe companies can influence societal values. It’s about how you look and how you act and what you do inside your companies. A simple example is an ex-pat who went into Japan to run the company’s operation and discovered a policy that if you arrived really early in the morning, breakfast was provided, and if you stayed late, dinner was provided. If you stayed really late, then you got a ride home. Although that policy was well intentioned, what it did was reinforce norms that said work long hours, which, of



course, did not suit women. So the new CEO cancelled the policy. Initially it wasn't well received by some employees who thought a benefit was being withdrawn. But from the CEO's perspective it was the right thing to do to make the workplace more inclusive and to promote and include more women. That decision challenged societal norms.

"A SPONSOR WILL SPEAK ABOUT YOU, FOR YOU AND ON YOUR BEHALF."

It also said to the men: You don't need to be in the office all hours – go home and be an equal parent."

TOM CROTTY: "That's a good point. So many of our working practices reinforce norms that we need to challenge."

NADINE DEREZA: "What about the move away from home working, back into the workplace?"

DEBORAH GILLIS: "Well, it doesn't make any sense. We need to focus on what gets done not where it gets done. It's the same as companies trying to prevent young employees using social media. It's pointless. That's how they communicate and that's how we'll be doing business, connecting with one another."

MARC BUELENS: "Well, I know what happens when we insist people come in at 8 every Monday to Friday morning and leave at the same time every evening. More and more time is spent in meetings, meetings, and nothing gets done. Nowadays, young people want to communicate by Skype or other social media. The bigger question is about business values. I really hate the "work hard, play hard" mentality. I like the method for scaling Mount Everest: "Climb high, sleep low."

NADINE DEREZA: "Andrew, how flexible are employers becoming when it comes to working hours and conditions? Are they meeting the needs of employees or potential employees?"

ANDREW KRIS: "Some employers do get it. And they can sometimes manage flexible working. But they often tend to view it as an exception rather than endemic to the organization. But it has to come from the top."

NADINE DEREZA: "Is diversity a risk?"

ANDREW KRIS: "Let's go back to what I said earlier about the industry being prepared to risk hundreds of millions of dollars or euros on a plant, but not on a female employee who could potentially bring in hundreds of millions of dollars during her career. Yes, there's a risk. But the industry always takes risks."

DEBORAH GILLIS: "Andrew's right. Diversity is viewed as a risk. But we know that women tend to be promoted on the basis of past performance while men are more likely to be promoted on the basis of their perceived potential. Women have to prove they have done and can do a job, while men are promoted on potential. That's why sponsorship can be so important in giving women the same opportunities as men."



REPORT OF THE EPCA 2014 48TH ANNUAL MEETING

GLOBAL COMPETITIVENESS AND
THE CHEMICAL INDUSTRY: WHAT ABOUT EUROPE?

4 TO 8 OCTOBER 2014 IN VIENNA, AUSTRIA

